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**SUBSTITUTE SENATE BILL 5672**

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**State of Washington 68th Legislature 2023 Regular Session**

**By** Senate Ways & Means (originally sponsored by Senators L. Wilson, Rolfes, Conway, Dozier, Gildon, Kuderer, and Nobles)

AN ACT Relating to the Washington auto theft prevention authority account; amending RCW 46.63.110, 46.66.080, and 48.14.020; creating a new section; providing an effective date; and declaring an emergency.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

NEW SECTION. **Sec.**  The Washington auto theft prevention authority account was created in 2007 to provide dedicated funding from traffic infraction collections to support programs designed to prevent and prosecute motor vehicle theft. The legislature finds that over the years, funding from the account has been diverted to other nonauto theft uses such as department of corrections' operations and youth gang prevention programs. The legislature further finds that revenues from traffic infractions have decreased as more drivers access diversion and deferral programs designed to assist people with retaining their licenses. Fund diversions and decreasing traffic infraction revenue threaten the viability of motor vehicle theft prevention programs at a time when the number of motor vehicle thefts have increased 88 percent between the year 2021 and 2022. In order to provide more secure funding to combat and prevent motor vehicle theft, the legislature intends each fiscal year to deposit into the Washington auto theft prevention authority account $7,000,000 of insurance premium tax collections that would otherwise be deposited to the general fund and to have this deposit grow by inflation. The legislature further intends for moneys collected from the traffic infraction surcharge in RCW 46.63.110(7)(b) to be deposited into the state general fund.

**Sec.**  RCW 46.63.110 and 2021 c 240 s 3 are each amended to read as follows:

(1)(a) A person found to have committed a traffic infraction shall be assessed a monetary penalty. No penalty may exceed ((~~two hundred and fifty dollars~~)) $250 for each offense unless authorized by this chapter or title.

(b) The court may waive or remit any monetary penalty, fee, cost, assessment, or other monetary obligation associated with a traffic infraction unless the specific monetary obligation in question is prohibited from being waived or remitted by state law.

(2) The monetary penalty for a violation of (a) RCW 46.55.105(2) is ((~~two hundred fifty dollars~~)) $250 for each offense; (b) RCW 46.61.210(1) is ((~~five hundred dollars~~)) $500 for each offense. No penalty assessed under this subsection (2) may be reduced.

(3) The supreme court shall prescribe by rule a schedule of monetary penalties for designated traffic infractions. This rule shall also specify the conditions under which local courts may exercise discretion in assessing fines and penalties for traffic infractions. The legislature respectfully requests the supreme court to adjust this schedule every two years for inflation.

(4) There shall be a penalty of ((~~twenty-five dollars~~)) $25 for failure to respond to a notice of traffic infraction except where the infraction relates to parking as defined by local law, ordinance, regulation, or resolution or failure to pay a monetary penalty imposed pursuant to this chapter. A local legislative body may set a monetary penalty not to exceed ((~~twenty-five dollars~~)) $25 for failure to respond to a notice of traffic infraction relating to parking as defined by local law, ordinance, regulation, or resolution. The local court, whether a municipal, police, or district court, shall impose the monetary penalty set by the local legislative body.

(5) Monetary penalties provided for in chapter 46.70 RCW which are civil in nature and penalties which may be assessed for violations of chapter 46.44 RCW relating to size, weight, and load of motor vehicles are not subject to the limitation on the amount of monetary penalties which may be imposed pursuant to this chapter.

(6) Whenever a monetary penalty, fee, cost, assessment, or other monetary obligation is imposed by a court under this chapter, it is immediately payable and is enforceable as a civil judgment under Title 6 RCW. If the court determines that a person is not able to pay a monetary obligation in full, the court shall enter into a payment plan with the person in accordance with RCW 46.63.190 and standards that may be set out in court rule.

(7) In addition to any other penalties imposed under this section and not subject to the limitation of subsection (1) of this section, a person found to have committed a traffic infraction shall be assessed:

(a) A fee of ((~~five dollars~~)) $5 per infraction. Under no circumstances shall this fee be reduced or waived. Revenue from this fee shall be forwarded to the state treasurer for deposit in the emergency medical services and trauma care system trust account under RCW 70.168.040;

(b) A fee of ((~~ten dollars~~)) $10 per infraction. Under no circumstances shall this fee be reduced or waived. Revenue from this fee shall be forwarded to the state treasurer for deposit in the ((~~Washington auto theft prevention authority account~~)) general fund; and

(c) A fee of ((~~five dollars~~)) $5 per infraction. Under no circumstances shall this fee be reduced or waived. Revenue from this fee shall be forwarded to the state treasurer for deposit in the traumatic brain injury account established in RCW 74.31.060.

(8)(a) In addition to any other penalties imposed under this section and not subject to the limitation of subsection (1) of this section, a person found to have committed a traffic infraction other than of RCW 46.61.527 or 46.61.212 shall be assessed an additional penalty of $24. The court may not reduce, waive, or suspend the additional penalty unless the court finds the offender to be indigent. If a court authorized community restitution program for offenders is available in the jurisdiction, the court shall allow offenders to offset all or a part of the penalty due under this subsection (8) by participation in the court authorized community restitution program.

(b) $12.50 of the additional penalty under (a) of this subsection shall be remitted to the state treasurer. The remaining revenue from the additional penalty must be remitted under chapters 2.08, 3.46, 3.50, 3.62, 10.82, and 35.20 RCW. Money remitted under this subsection to the state treasurer must be deposited as follows: $8.50 in the state general fund and $4 in the driver licensing technology support account created under RCW 46.68.067. The moneys deposited into the driver licensing technology support account must be used to support information technology systems used by the department to communicate with the judicial information system, manage driving records, and implement court orders. The balance of the revenue received by the county or city treasurer under this subsection must be deposited into the county or city current expense fund. Moneys retained by the city or county under this subsection shall constitute reimbursement for any liabilities under RCW 43.135.060.

(9) If a legal proceeding, such as garnishment, has commenced to collect any delinquent amount owed by the person for any penalty imposed by the court under this section, the person may request a payment plan pursuant to RCW 46.63.190.

(10) The monetary penalty for violating RCW 46.37.395 is: (a) ((~~Two hundred fifty dollars~~)) $250 for the first violation; (b) ((~~five hundred dollars~~)) $500 for the second violation; and (c) ((~~seven hundred fifty dollars~~)) $750 for each violation thereafter.

(11) The additional monetary penalty for a violation of RCW 46.20.500 is not subject to assessments or fees provided under this section.

(12) The additional monetary fine for a violation of RCW 46.61.110, 46.61.145, 46.61.180, 46.61.185, 46.61.190, and 46.61.205 is not subject to assessments or fees provided under this section.

(13) The additional monetary penalties for a violation of RCW 46.61.165 are not subject to assessments or fees provided under this section.

**Sec.**  RCW 46.66.080 and 2015 3rd sp.s. c 4 s 964 are each amended to read as follows:

(1) The Washington auto theft prevention authority account is created in the state treasury, subject to appropriation. ((~~All revenues from the traffic infraction surcharge in RCW 46.63.110(7)(b)~~)) Revenues consist of deposits to the account under RCW 48.14.020(1)(b) and all receipts from gifts, grants, bequests, devises, or other funds from public and private sources to support the activities of the auto theft prevention authority must be deposited into the account. Expenditures from the account may be used only for activities relating to motor vehicle theft, including education, prevention, law enforcement, investigation, prosecution, and confinement. ((~~During the 2011-2013, 2013-2015, and 2015-2017 fiscal biennia, the legislature may appropriate moneys from the Washington auto theft prevention authority account for criminal justice purposes and community building and may transfer funds to the state general fund such amounts as reflect the excess fund balance of the account.~~))

(2) The authority shall allocate moneys appropriated from the account to public agencies for the purpose of establishing, maintaining, and supporting programs that are designed to prevent motor vehicle theft, including:

(a) Financial support to prosecution agencies to increase the effectiveness of motor vehicle theft prosecution;

(b) Financial support to a unit of local government or a team consisting of units of local governments to increase the effectiveness of motor vehicle theft enforcement;

(c) Financial support for the procurement of equipment and technologies for use by law enforcement agencies for the purpose of enforcing motor vehicle theft laws; and

(d) Financial support for programs that are designed to educate and assist the public in the prevention of motor vehicle theft.

(3) The costs of administration shall not exceed ((~~ten~~)) 10 percent of the moneys in the account in any one year so that the greatest possible portion of the moneys available to the authority is expended on combating motor vehicle theft.

(4) Prior to awarding any moneys from the Washington auto theft prevention authority account for motor vehicle theft enforcement, the auto theft prevention authority must verify that the financial award includes sufficient funding to cover proposed activities((~~, which include, but are not limited to: (a) State, municipal, and county offender and juvenile confinement costs; (b) administration costs; (c) law enforcement costs; (d) prosecutor costs; and (e) court costs, with a priority being given to ensuring that sufficient funding is available to cover state, municipal, and county offender and juvenile confinement costs~~)).

(5) Moneys expended from the Washington auto theft prevention authority account under subsection (2) of this section shall be used to supplement, not supplant, other moneys that are available for motor vehicle theft prevention.

(6) Grants provided under subsection (2) of this section constitute reimbursement for purposes of RCW 43.135.060(1).

**Sec.**  RCW 48.14.020 and 2021 c 281 s 7 are each amended to read as follows:

(1)(a) Subject to other provisions of this chapter, each authorized insurer except title insurers and registered eligible captive insurers as defined in RCW 48.201.020 shall on or before the first day of March of each year pay to the state treasurer through the commissioner's office a tax on premiums. Except as provided in subsection (3) of this section, such tax shall be in the amount of two percent of all premiums, excluding amounts returned to or the amount of reductions in premiums allowed to holders of industrial life policies for payment of premiums directly to an office of the insurer, collected or received by the insurer under RCW 48.14.090 during the preceding calendar year other than ocean marine and foreign trade insurances, after deducting premiums paid to policyholders as returned premiums, upon risks or property resident, situated, or to be performed in this state. For tax purposes, the reporting of premiums shall be on a written basis or on a paid-for basis consistent with the basis required by the annual statement. For the purposes of this section the consideration received by an insurer for the granting of an annuity shall not be deemed to be a premium.

(b) Beginning July 1, 2023, and July 1st of each year thereafter, the state treasurer shall deposit $7,000,000 in moneys collected for premium taxes pursuant to this section into the Washington auto theft prevention authority account created in RCW 46.66.080. Beginning July 1, 2023, the amount deposited under this subsection must be adjusted by the most current seasonally adjusted index of the consumer price index for all urban consumers as published by the bureau of labor statistics of the United States department of labor.

(2)(a) The taxes imposed in this section do not apply to amounts received by any life and disability insurer for health care services included within the definition of practice of dentistry under RCW 18.32.020 except amounts received for pediatric oral services that qualify as coverage for the minimum essential coverage requirement under P.L. 111-148 (2010), as amended, and for stand-alone family dental plans as defined in RCW 43.71.080(4)(a), only when offered in the individual market, as defined in RCW 48.43.005, or to a small group, as defined in RCW 48.43.005.

(b) Beginning January 1, 2014, moneys collected for premiums written on qualified health benefit plans and qualified dental plans offered through the health benefit exchange under chapter 43.71 RCW must be deposited in the health benefit exchange account under RCW 43.71.060.

(3) In the case of insurers which require the payment by their policyholders at the inception of their policies of the entire premium thereon in the form of premiums or premium deposits which are the same in amount, based on the character of the risks, regardless of the length of term for which such policies are written, such tax shall be in the amount of two percent of the gross amount of such premiums and premium deposits upon policies on risks resident, located, or to be performed in this state, in force as of the thirty-first day of December next preceding, less the unused or unabsorbed portion of such premiums and premium deposits computed at the average rate thereof actually paid or credited to policyholders or applied in part payment of any renewal premiums or premium deposits on one-year policies expiring during such year.

(4) Each authorized insurer shall with respect to all ocean marine and foreign trade insurance contracts written within this state during the preceding calendar year, on or before the first day of March of each year pay to the state treasurer through the commissioner's office a tax of ninety-five one-hundredths of one percent on its gross underwriting profit. Such gross underwriting profit shall be ascertained by deducting from the net premiums (i.e., gross premiums less all return premiums and premiums for reinsurance) on such ocean marine and foreign trade insurance contracts the net losses paid (i.e., gross losses paid less salvage and recoveries on reinsurance ceded) during such calendar year under such contracts. In the case of insurers issuing participating contracts, such gross underwriting profit shall not include, for computation of the tax prescribed by this subsection, the amounts refunded, or paid as participation dividends, by such insurers to the holders of such contracts.

(5) The state does hereby preempt the field of imposing excise or privilege taxes upon insurers or their appointed insurance producers, other than title insurers, and no county, city, town or other municipal subdivision shall have the right to impose any such taxes upon such insurers or these insurance producers.

(6) If an authorized insurer collects or receives any such premiums on account of policies in force in this state which were originally issued by another insurer and which other insurer is not authorized to transact insurance in this state on its own account, such collecting insurer shall be liable for and shall pay the tax on such premiums.

NEW SECTION. **Sec.**  This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect July 1, 2023.

**--- END ---**